

Message Text

CONFIDENTIAL

PAGE 01 MILAN 02047 01 OF 02 290903Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 BIB-01 COME-00 EB-08 LAB-04 SIL-01 TRSE-00
/073 W

-----028992 290912Z /14

R 281450Z DEC 77
FM AMCONSUL MILAN
TO AMEMBASSY ROME
INFO SECSTATE WASHDC 5771

C O N F I D E N T I A L SECTION 1 OF 2 MILAN 2047

EO 11652: GDS
TAGS: PINT IT
SUBJECT: MILAN COMMENTS ON PCI APPROACH TO POWER

SUMMARY: WE HAVE HAD A NUMBER OF CONVERSATIONS DURING PAST WEEK ALL CONCERNED WITH PCI ADVANCE TOWARD GOVERNMENT PARTICIPATION THAT WE REPORT AS MEASURE OF LOCAL POLITICAL THINKING DURING HOLIDAYS. END SUMMARY.

2. SEVERAL POLITICAL FIGURES TOOK THE INITIATIVE TO SEEK US OUT. THEY WERE DC SENATOR AND MILAN STOCK EXCHANGE PRESIDENT URGANO ALETTI; SOCIALIST ECONOMIST GUSTAVO GHIDINI, WHO IS CLOSE TO CRAXI-TOGNOLI PARTY LEADERSHIP; MILAN PROVINCIAL DC VICE SECRETARY AND LAWYER VINCENZO LA RUSSA; AND UIL LEADER GAEBASERA OF PSI. THEY WERE UNITED IN ESTIMATE THAT PCI WAS EXTREMELY CLOSE TO POWER. THEY WANTED TO HEAR OUR POSITION ON MATTER.

3. ALETTI, ONE OF MOST PRESTIGIOUS DC TECHNICIANS ELECTED JUNE 1976, SAID HIS OPPOSITION TO ANY FURTHER DC ACCOMMODATION WITH PCI WAS FIRM. COMMUNISTS HAD SIGNED 6 PARTY AGREEMENT AND NOW HAD TO GIVE GOVERNMENT TIME TO CARRY IT OUT. HE WANTED TO TELL US HE WAS SENDING TELEGRAMS IMMEDIATELY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MILAN 02047 01 OF 02 290903Z

TO FANFANI AND ZACCAGNINI SAYING HE WOULD VOTE AGAINST GOVERNMENT AND PARTY IF DC TRIED TO BRING PCI ONE STEP FURTHER WITHOUT CALLING DC PARTY CONGRESS OR EARLY ELECTIONS. ALETTI HAD GOTTEN HIS 50,000 PREFERENTIAL VOTES ON BASIS OF FIRM COMMITMENT AGAINST PCI THAT HE INTENDED TO RESPECT. IN EVENTUALITY THAT PCI DID MOVE FURTHER TOWARD POWER IN ONE WAY OR ANOTHER, HE WOULD PROBABLY RESIGN.

4. ALETTI SAID HE FELT THERE WAS PLENTY OF OPPOSITION WITHIN DC TO FURTHER CONCESSIONS TO COMMUNISTS. IT WOULD BE SHAME IF, JUST AS COMMUNISTS IN RUSSIA AND EVERYWHERE ELSE WERE UNDER INTERNATIONAL FIRE AND ON DECLINE, COMMUNISTS SHOULD FINALLY TAKE POWER IN ITALY. IT WAS WRONG THAT FANFANI, AN OLD MAN SPURRED ON BY NOTORIOUSLY AMBITIOUS WIFE TO BE PRESIDENT OF REPUBLIC, SHOULD BE WILLING - IF REPORTS TO THAT EFFECT WERE TRUE - TO MAKE DEAL WITH PCI OVER HEADS OF DC ELECTORATE.

5. ALETTI FELT THAT PCI WAS PUSHING HARD AT ENTRY INTO GOVERNMENT BECAUSE TIME WAS NOT ON ITS SIDE BUT THAT PARTY WOULD BACK DOWN IF IT MET FIRM OPPOSITION. LATTER POINT WAS LESSON TO BE DRAWN FROM PAST DEALINGS WITH PCI. SO THERE WAS STILL TIME TO TAKE FIRM STAND.

6. SOCIALIST GHIDINI, TOO, FELT THAT TIME WAS NOT RUNNING IN PCI'S FAVOR AND THAT IT WAS NOT TOO LATE TO STOP COMMUNISTS. THERE IS TENDENCY, HE EXPLAINED, TO OVERESTIMATE COMMUNIST STRENGTH AS WELL AS THAT OF TRADE UNIONS TO WHICH PCI FORTUNES STRONGLY LINKED. UNIONS WERE WEAK. TO BEGIN WITH, ALL THREE BIG UNIONS TOOK IN ONLY 30 PERCENT OF ITALIAN WORKERS. ADDING IN ANOTHER 10 PERCENT FOR AUTONOMOUS UNIONS, THAT STILL LEFT 60 PERCENT OF WORKFORCE OUTSIDE DIRECT UNION CONTROL. MOREOVER, CIGL-CISL-UIL UNITY WAS IN BAD WAY. FURTHER, SAID GHIDINI, WORKERS-AL LEAST IN BIG CITIES-WERE TIRED OF STRIKES. HE CONTENDED THAT RECENTLY

CONFIDENTIAL

PAGE 03 MILAN 02047 01 OF 02 290903Z

UNIONS HAD BEEN FORCED TO TRUCK IN MARCHERS FROM NEARBY TOWNS FOR PLANNED DEMONSTRATIONS BECAUSE MILAN WORKERS WERE STAYING HOME. ALL THIS MEANT THAT GOVERNMENT COULD PROBABLY LET UNIONS DO THEIR WORST, I.E., MOUNT GENERAL STRIKE, AND SURVIVE. AND ONCE UNIONS HAD FAILED TO BRING DOWN GOVERNMENT THAT WOULD WEAKEN PCI AS WELL. IN RESULTING INTRA-PARTY JOCKEYING, COULD WELL BE THAT HARDLINERS WOULD WIN AND BERLINGUER LOSE. BUT SUCH OUTCOME WOULD COST PCI DEARLY IN TERMS OF MIDDLE-CLASS VOTE AND DAMAGE OVERALL COMMUNIST APPEAL PERCEPTIBLY.

7. IN OTHER WORDS, SAID GHIDINI, THERE WAS NO COMPELLING REASON WHY PCI SHOULD BE ADMITTED TO GOVERNMENT AT THIS JUNCTURE.

8. GHIDINI WAS ASKED WHAT SOCIALISTS WERE DOING TO KEEP PCI OUT. HE EXPLAINED THAT, ALTHOUGH CRAXI WAS PUBLICLY URGING DC TO ADMIT PCI TO EMERGENCY COALITION, HE WAS DOING SO FOR INTERNAL PSI REASONS ONLY. AND CRAXI WAS SAYING CLEARLY THAT PSI WOULD NOT PROVOKE CRISIS. IF DC TOO, WOULD HOLD FIRM, NOT ONLY TELLING PCI THAT IT WOULD NOT ASSIST IN CHANGING PRESENT SET-UP BUT THAT, IF PCI ITSELF CHOSE TO BRING DOWN GOVERNMENT, PARTY COULD NOT LOOK TO DC FOR HELP IN CREATING NEW ONE, THEN THERE WAS GOOD CHANCE

THAT COMMUNISTS WOULD RETREAT.

9. VINCENZO LA RUSSA, OUR THIRD INTERLOCUTOR, WAS ALSO CONCERNED ABOUT PRESSURE WITHIN DC TO MAKE FURTHER CONCESSIONS TO PCI AND TO DO SO QUICKLY, AROUND FIRST OF YEAR. COMMUNISTS, FOR THEIR PART, WERE SPLIT INTERNALLY, WITH HARDLINERS IN CENTRAL COMMITTEE HAVING GIVEN BERLINGUER TILL END OF THIS YEAR TO SHOW PROGRESS OR ELSE. IF PCI SUCCEEDED, DC WOULD SUFFER DEFECTIONS FROM DE CAROLIS, MAZZOTA (MILAN PROVINCIAL SECRETARY), ROSSI DI MONTALERA AND OTHERS. BUT, HE IMPLIED, SPLIT WOULD NOT BE PROFOUND. IF IT CAME TO ELECTIONS, DC WOULD GET 46-47 PERCENT OF VOTE, WITH INCREASE COMING FROM SMALL PARTIES EXCEPT PRI.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MILAN 02047 02 OF 02 290905Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 BIB-01 COME-00 EB-08 LAB-04 SIL-01 TRSE-00
/073 W

-----029000 290912Z /14

R 281450Z DEC 77
FM AMCONSUL MILAN
TO AMEMBASSY ROME
INFO SECSTATE WASHDC 5772

C O N F I D E N T I A L SECTION 2 OF 2 MILAN 2047

10. GALHUSERS, YOUNG, HIGHLY PLACED OFFICIAL CLOSE TO BENVENUTO, SAID THAT 1978 WOULD SET SHAPE OF ITALY FOR NEXT DECADE. HE DID NOT BELIEVE THAT PCI WOULD BE BROUGHT INTO GOVERNMENT BUT SAID THAT WAS UP TO DC. AS FOR PSI, IT WAS POWERLESS AND FLOUNDERING. IF PCI NOW RESHUFFLED, GALHUSERA THOUGHT MODERATES WOULD BE DEFEATED AND PCI SWING BACK TO HARD LINE. THIS WOULD RETURN ITALY TO CONSERVATIVE RIGHTIST LEADERSHIP FOR LONG TIME TO COME. IT WOULD ALSO BE VERY DANGEROUS PERIOD DUE TO CHANGE IN PCI ORIENTATION. IN ANY EVENT, HE THOUGHT EARLY ELECTIONS NOT IMPROBABLE IN WHICH DC WOULD GET ABOUT 50 PERCENT OF VOTE WHILE PCI WOULD ADD ONLY COUPLE OF POINTS.

11. WE TOOK INITIATIVE TO SEEK OUT TWO WELL KNOWN MILAN CHRISTIAN DEMOCRATS-PIERO BASSETTI, LEFT WING MP AND MASSIMO DECAROLIS, CONSERVATIVE MP.

12. BASSETTI PROFESSED TO BE PERPLEXED AT PCI INITIATIVE TO GET CLOSER TO GOVERNMENT NOW. PERHAPS IT WAS BECAUSE OF THE NEAR COLLAPSE OF EFFECTIVE GOVERNMENT DURING THE PAST COUPLE OF MONTHS. HE COULD WELL UNDERSTAND RANK AND FILE PRESSURE. BUT HE COULD NOT IMAGINE THAT PCI BELIEVED DC WOULD ALLOW IT INTO MAJORITY OR INTO GOVERNMENT AT THIS JUNCTURE. IN FACT, BASSETTI THOUGHT MAJOR QUESTION WAS HOW TO GET BERLINGUER AND HIS BACKERS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MILAN 02047 02 OF 02 290905Z

OFF THE HOOK WITHOUT HUMILIATING THEM IN EYES THEIR MORE EXTREMIST MEMBERSHIP.

13. ACCORDING TO BASSETTI, THE THREATS OF A SPLIT BY DECAROLIS AND OTHER DC'S WOULD SLOW DOWN THE PROCESS OF ACCEPTING THE PCI. BUT HE OBSERVED THAT ALL OF THE DC LEADERSHIP NOW THOUGHT IT INEVITABLE. HE DID, TOO, BUT WANTED TO DELAY AS LONG AS POSSIBLE. IN THE END, THREATS OF A DC SPLIT WOULD NOT PREVAIL. HOWEVER, MORO, FANFANI AND OTHER LEADERS WERE CONSUMMATE MANIPULATORS AND WHEN THEY WERE READY, THEY WOULD SIMPLY NUDGE DECAROLIS AND ANY OTHER DISSENTERS INTO THE QUICK SAND AND THAT WOULD BE THAT.

14. BASSETTI REPEATED HIS OPPOSITION TO ELECTIONS IN WHICH THE DC COULD NOT EXCEED 42-43 PERCENT OF THE VOTE WHILE THE MINOR PARTIES WOULD HAVE VANISHED. THAT WOULD STILL LEAVE THE PSI AS THE DECIDING PARTY AND THERE WAS NO SIGN THAT IT WOULD OPT TO RETURN TO A CENTER-LEFT COALITION.

15. DECAROLIS WAS MORE OPTIMISTIC. THE RECENT SCHOOL ELECTIONS HAD GIVEN THE DC A FINE MAJORITY. TH VOTE IN MILAN FOR THE DC POSITION WAS DOUBLE THAT IN THE DIVORCE REFERENDUM. IT WAS A REVIVAL OF THE DC-CONSERVATIVE ALLIANCE THAT HAD CARRIED THE 1948 ELECTIONS. CONSEQUENTLY, DECAROLIS THOUGHT THAT NATIONAL ELECTIONS WOULD BE JUST FINE.

16. MEANWHILE, HE AND HIS BACKERS WERE ORGANIZING COUNTER PRESSURE ON MORO AND ANDREOTTI TO BLOCK A DEAL WITH THE PCI. THERE WOULD BE AN UNANNOUNCED MEETING OF DEPUTIES IN MILAN JAN 10 TO TAKE A POSITION. MAZZOTTA AND HIS BACKERS WERE SIMILARLY OPPOSED AND THAT MADE A BLOCK OF ABOUT 50 DEPUTIES. MOREOVER, DONAT-CATTIN AND HIS LEFT WING OF THE DC WAS ALSO OPPOSED TO AN OPENING TO THE PCI AND HE MIGHT MUSTER ALMOST AS MANY OR MORE CONTRARY VOTES ON THIS ISSUE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MILAN 02047 02 OF 02 290905Z

17. DECAROLIS CONTENTED THAT IF HE AND OTHERS OPPOSED TO CON-

CESSIONS TO THE PCI COULD SHOW THAT THEY COULD SPLIT THE DC OR THAT A DEAL WITH THE LEADERSHIP WOULD NOT BRING ALONG THE ENTIRE DC, THE PCI WOULD PULL BACK. PCI WANTS TO ENTER GOVERNMENT ONLY IF THE ENTIRE DC ACCEPTS THE DEAL.

18. FROM HIS POINT OF VIEW, IT WOULD BE BETTER FOR DC TO GO INTO OPPOSITION THAN TO SHARE GOVERNMENT WITH THE PCI-ASSUMING THAT SOVIET INTERVENTION COULD BE PREVENTED BY NATO. WITHOUT SOVIET INTERVENTION, THE PCI WOULD SOON BE THROWN OUT.

19. DECAROLIS SAYS HE IS NOT WORRIED ABOUT THE DC UNDERCUTTING HIM. IF THE PCI IS BROUGHT INTO GOVERNMENT, DECAROLIS WILL NOT LACK SUPPORT FOR OPPOSING IT. AND IF THE PCI IS REJECTED, HE HAS NO REASON TO BREAK WITH MORO, FANFANI AND ANDREOTTI.

20. CONCLUSION: ALL OF OUR INTERLOCUTORS SEE THE DANGER OF PCI ENTRANCE TO GOVERNMENT AS A REAL AND A CURRENT PROBLEM. THEY ALL ASSUME US OPPOSITION (WHICH WE STRONGLY RE-ITERATED) BUT THEY DID NOT EXPECT MUCH ELSE FROM US. DECAROLIS, FRO EXAMPLE, SAID THAT ALL WE COULD DO WAS TO TRY TO SHIELD ITALY FROM SOVIET INTERFERENCE WHILE THE ISSUE WAS RESOLVED INTERNALLY. SEN. ALETTI, HOWEVER, URGED US TO KEEP US PRESSURE ON THOSE HIGH IN GOVERNMENT AND OTHERS EXPECT THE SAME OF US SINCE ANY SIGN THAT THE US MIGHT BE FLABBY IN ITS OPPOSITION WOULD BE HELPFUL TO THE PCI.
FINA

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, PARTY STRENGTH, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MILAN02047
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780001-0288
Format: TEL
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771212/aaaaajqj.tel
Line Count: 250
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 22fd5dfc-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 121525
Secure: OPEN
Status: NATIVE
Subject: MILAN COMMENTS ON PCI APPROACH TO POWER SUMMARY: WE HAVE HAD A NUMBER OF CONVERSATIONS DURING PAST WEEK ALL CONCERNED WITH PCI ADVANCE TOWARD GOVERNMENT
TAGS: PINT, IT, PCI
To: ROME
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/22fd5dfc-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009